



# MEDI-CAL UPDATE

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www.medi-cal.ca.gov

Pharmacy Bulletin 619

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## Medi-Cal List of Contract Drugs

The following provider manual sections have been updated: *Drugs: Contract Drugs List Part 1 – Prescription Drugs*, *Drugs: Contract Drugs List Part 4 – Therapeutic Classifications* and *Drugs: Contract Drugs List Part 7 – Preferred Prior Authorization Drug List*.

### Addition, effective October 28, 2005

<u>Drug</u>	<u>Size and/or Strength</u>	<u>Billing Unit</u>
NELARABINE Injection	5mg/cc	cc

### Additions, effective December 1, 2005

<u>Drug</u>	<u>Size and/or Strength</u>	<u>Billing Unit</u>
BROMFENAC Ophthalmic solution	0.09 %	cc
DARIFENACIN + Tablets, extended release	7.5 mg 15 mg	ea ea
LANTHANUM CARBONATE * Chewable tablets	250 mg 500 mg	ea ea
* Restricted to use in patients with end-stage renal disease		

+ Frequency of billing requirement

Please see **Contract Drugs**, page 3

## EDS/MEDI-CAL HOTLINES

Telephone Service Center (TSC) ..... 1-800-541-5555  
 DHS Medi-Cal Fraud Hotline..... 1-800-822-6222  
 Border Providers ..... (916) 636-1200  
 Provider Telecommunications Network (PTN)..... 1-800-786-4346

For a complete listing of specialty programs and hours of operation, please refer to the Medi-Cal Directory in the provider manual.

## Stop Illegal Tobacco Sales

The simplest way to stop illegal tobacco sales to minors is for merchants to check ID and verify the age of the tobacco purchasers. Report illegal tobacco sales to 1-800-5-ASK-4-ID.

For more information, see the Department of Health Services Web site at <http://www.dhs.ca.gov>.

## MEDI-CAL FRAUD IS AGAINST THE LAW

MEDI-CAL FRAUD COSTS TAXPAYERS MILLIONS  
EACH YEAR AND CAN ENDANGER  
THE HEALTH OF CALIFORNIANS.

HELP PROTECT MEDI-CAL AND YOURSELF  
BY REPORTING YOUR OBSERVATIONS TODAY.

**DHS MEDI-CAL FRAUD HOTLINE**  
**1-800-822-6222**

**THE CALL IS FREE AND YOU CAN REMAIN ANONYMOUS.**

Knowingly participating in fraudulent activities can result in prosecution and jail time. Help prevent Medi-Cal fraud.

**Contract Drugs** (*continued*)**Additions, effective December 1, 2005 (continued)**

<b><u>Drug</u></b>	<b><u>Size and/or Strength</u></b>	<b><u>Billing Unit</u></b>
MOMETASONE FUROATE		
Oral powder for inhalation	30 inhalations/0.24 Gm	Gm
	60 inhalations/0.24 Gm	Gm
	120 inhalations/0.24 Gm	Gm
NEPAFENAC		
Ophthalmic suspension	0.1%	cc

**Change, effective October 28, 2005**

<b><u>Drug</u></b>	<b><u>Size and/or Strength</u></b>	<b><u>Billing Unit</u></b>
* LOPINAVIR AND RITONAVIR		
Capsules	133.3 mg – 33.3 mg	ea
Oral solution	400 mg – 100 mg/5 cc	cc
** <b><u>Tablets</u></b>	<b><u>200 mg – 50mg</u></b>	<b><u>ea</u></b>
** <b><u>Prior authorization always required.</u></b>		
* Restricted to use as combination therapy in the treatment of Human Immunodeficiency Virus (HIV) infection.		

**Changes, effective December 1, 2005**

<b><u>Drug</u></b>	<b><u>Size and/or Strength</u></b>	<b><u>Billing Unit</u></b>
* DONEPEZIL HCL		
Tablets <b><u>or orally disintegrating tablets</u></b>	5 mg	ea
	10 mg	ea
* Restricted to treatment of mild to moderate dementia of the Alzheimer's type.		
MEGESTROL ACETATE		
Tablets	20 mg	ea
Suspension	40 mg	ea
	40 mg/cc	cc
	* <b><u>125 mg/cc</u></b>	<b><u>cc</u></b>
* <b><u>Restricted to treatment of anorexia, cachexia, or an unexplained, significant weight loss in patients with a diagnosis of Acquired Immunodeficiency Syndrome (AIDS).</u></b>		
MONTELUKAST SODIUM		
+ <b><u>Granules</u></b>	<b><u>4 mg</u></b>	<b><u>ea</u></b>
+ Chewable tablets	4 mg	ea
	5 mg	ea
+ Tablets	10 mg	ea

+ Frequency of billing requirement

*Please see Contract Drugs, page 4*

**Contract Drugs** (*continued*)**Changes, effective December 1, 2005 (continued)**

<b><u>Drug</u></b>	<b><u>Size and/or Strength</u></b>	<b><u>Billing Unit</u></b>
* PEMOLINE		
Tablets or capsules	18.75 mg	ea
	37.5 mg	ea
	75 mg	ea
Tablets (chewable)	37.5 mg	ea
* Restricted to use in Attention Deficit Disorders in individuals between 4 and 16 years of age <b><u>with a Medi-Cal fee-for-service paid claim for this drug prior to December 1, 2005, and with the claim being submitted within 100 days of the date of service of the last paid claim submitted.</u></b>		

**Change, effective January 1, 2006**

<b><u>Drug</u></b>	<b><u>Size and/or Strength</u></b>	<b><u>Billing Unit</u></b>
* VARDENAFIL HYDROCHLORIDE		
Tablets	2.5 mg	ea
	5 mg	ea
	10 mg	ea
	20 mg	ea
* <b><u>Restricted to the treatment of federal Food and Drug Administration-approved indications other than sexual or erectile dysfunction.</u></b>		
(NDC labeler code 00085 [Schering Corporation] only.)		

**Change, effective February 1, 2006**

<b><u>Drug</u></b>	<b><u>Size and/or Strength</u></b>	<b><u>Billing Unit</u></b>
* ZALEPLON		
+ Capsules	5 mg	ea
	10 mg	ea
* <b><u>Prior authorization always required.</u></b>		

+ Frequency of billing requirement

*These updates are reflected on manual replacement pages drugs cdl p1a 17, 37 and 45 (Part 2), drugs cdl p1b 36, 42, 44 and 53 (Part 2), drugs cdl p1c 2, 3 and 17 (Part 2), drugs cdl p1d 22 (Part 2), drugs cdl p4 7, 8, 15 and 19 (Part 2) and drugs cdl p7 1 (Part 2).*

**FAC List Updates**

The *Drugs: MAIC and FAC List* section has been updated as noted:

**Additions, effective November 12, 2005**

<b><u>Drug</u></b>	<b><u>Strength</u></b>	<b><u>FAC</u></b>	<b><u>Billing Unit</u></b>
Brimonidine Tartrate Solution/Drops, ophthalmic	0.2%	\$4.5000	cc
Cefuroxime Axetil Tablets, oral	250mg 500mg	2.5425 4.7475	ea ea
Clindamycin Phosphate Lotion, topical	Eq 1%, Base	0.7988	cc
Desipramine Hydrochloride Tablets, oral	25mg 50mg 75mg 100mg 150mg	0.0576 0.0828 1.0304 1.3539 1.9617	ea ea ea ea ea
Folic Acid Tablets, oral	1mg	0.2858	ea
Gentamicin Sulfate Cream, topical Ointment, topical	Eq 0.1% Base	0.2000 0.2000	Gm Gm
Metronidazole Cream, topical	0.75%	1.6263	Gm
Mometasone Furoate Ointment, topical	0.1%	0.9333	Gm
Nystatin Powder, topical	100mu/Gm	1.7480	Gm
Oxybutynin Chloride Syrup, oral	5mg/5ml	0.0825	cc
Phenytoin Suspension, oral	125mg/5ml	0.1521	cc
Potassium Chloride Tablets, extended release	10 mEq 20 mEq	0.2538 0.4625	ea ea
Pyridostigmine Bromide Tablets, oral	60mg	0.5832	ea

Please see **FAC List**, page 6

## FAC List (continued)

## Additions, effective November 12, 2005 (continued)

<u>Drug</u>	<u>Strength</u>	<u>FAC</u>	<u>Billing Unit</u>
Rifampin Capsules, oral	300mg	\$1.8860	ea
Torsemide Tablets, oral	100mg	2.9175	ea
Trimethobenzamide Hydrochloride Capsules, oral	300mg	1.0193	ea

## Decreases, effective November 12, 2005

<u>Drug</u>	<u>Strength</u>	<u>FAC</u>	<u>Billing Unit</u>
Cilostazol Tablets, oral	100mg	\$1.0388	ea
Terazosin Hydrochloride Capsules, oral	1mg	0.6000	ea
	2mg	0.6000	ea
	5mg	0.6000	ea
	10mg	0.6000	ea

*These changes are reflected on manual replacement pages drugs maic fac 7, 8, 10, 12, 17, 18, 26, 27, 29, 31, 33, 35 thru 37 (Part 2).*

## Incontinence Medical Supply Addition

Effective for dates of service on or after January 1, 2006, the following SCA Personal Care, Inc. (formerly SCA Hygiene Products) products have been added to the Medi-Cal list of contracted incontinence medical supplies.

<u>Description/Size</u>	<u>Manufacturer. Stock Number</u>	<u>Medi-Cal Billing Code</u>
<b>Small</b>		
TENA	66150	9997T 2H
<b>Medium</b>		
Dry Comfort Extra	385	9997W 2H
Dry Comfort Extra	68117	9997W 2H
Dry Comfort Extra	67713	9997W 2H
Dry Comfort Extra	68115	9997W 2H
TENA Super	68123	9997W 2H
<b>Large</b>		
TENA Classic Plus	68116	9997Y 2H
<b>X-Large</b>		
TENA Classic Plus	68118	9907M 2H
TENA Classic Plus	67914	9907M 2H

*Please see Incontinence Medical Supply, page 7*

**Incontinence Medical Supply** *(continued)*

Providers are limited to dispensing no more than 200 youth and small briefs, per recipient, in a 27-day period; no more than 192 medium, regular and extra large briefs, per recipient, in a 27-day period; and no more than 216 large briefs, per recipient, in a 27-day period. Quantities exceeding this limitation require prior authorization. This reimbursement limitation is notwithstanding the existing \$165 limit per month, per recipient, for all incontinence supplies.

Providers may purchase these products beginning December 1, 2005. To avoid denials of claims, providers may not dispense these products or bill Medi-Cal before January 1, 2006.

*This information is reflected on manual replacement pages incont lst 2, 9, 11, 15 and 17 (Part 2).*

**Transition Billing Period for Incontinence Medical Supplies**

Effective for dates of service on or after January 1, 2006, the list of adult briefs reimbursed by Medi-Cal is updated to reflect new contracts with manufacturers of incontinence supplies. As announced in the September 2005 *Medi-Cal Update* (Bulletin 615), starting on October 1, 2005, providers may purchase products from the new list, but are not to bill Medi-Cal for these products for dates of service before January 1, 2006.

To allow providers more time to adjust their inventories, a transition billing period from January 1, 2006 through January 31, 2006 is established. During this transition period, providers may bill for both old and new incontinence supply adult briefs.

This extension will delay the discontinuation of local level billing codes for the new list of adult briefs, and allow the continuation of claim submissions for unlisted products for one month, using billing codes 9907K, 9907M, 9997Q, 9997T, 9997W and 9997Y.

Unlisted adult brief products will no longer be Medi-Cal benefits after January 31, 2006.

Reimbursement for adult briefs on the current incontinence supplies list will continue at the current rate for dates of service on or before January 31, 2006, except for those products that carry over from the current list to the new list and that have new reimbursement rates. New reimbursement rates for these products will be effective for dates of service on or after January 1, 2006. Effective February 1, 2006, products removed from the list will no longer be Medi-Cal benefits.

Also effective January 1, 2006, providers are limited to dispensing no more than 200 youth and small briefs, per recipient, in a 27-day period; no more than 192 medium, regular and extra large briefs, per recipient, in a 27-day period; and no more than 216 large briefs, per recipient, in a 27-day period. Quantities exceeding this limitation require prior authorization. This reimbursement limitation is in addition to the existing \$165 limit per month, per recipient, for all incontinence supplies.

Providers may dispense 540 grams of incontinence creams and 960 cc of washes to recipients who have reached the quantity limit, and bill Medi-Cal after waiting 27 days instead of 30 days.

**Note:** Providers risk claim denial if they dispense products appearing on the new list before January 1, 2006. The Department of Health Services will allow additional sizes of disposable adult briefs that are not included in the contracts to be billed to Medi-Cal with a *Treatment Authorization Request* (TAR), using a new miscellaneous incontinence billing code of 9999B.

Providers should retain the replaced manual pages from the *Incontinence Medical Supplies Product List* section as reference for submitting claims with dates of service on or before January 31, 2006.

*This information is reflected on manual replacement pages incont lst 3 thru 17, 29 and 30 (Part 2).*

### Provider Certification Statement Requirement Clarification

Providers were informed in the October 2005 *Medi-Cal Update* (Bulletin 617) to submit a self-certification statement when filing medical supply claims with invoices that may contain hidden charges. Providers are not required to include this certification for every invoice, only for claims with invoices that contain statements mentioning added charges, fees, cost to invoice prices, or otherwise state that charges or fees included for the invoice may be hidden.

To clarify, that statement may be typed, printed, or stamped onto the invoice, or otherwise attached to the claim.

The statement must be written exactly as follows:

“I certify that I have properly disclosed and appropriately reflected a discount or other reduction in price obtained from a manufacturer or wholesaler in the costs claimed or charges on this invoice identified by item number \_\_\_\_\_ as stated in 42 U.S.C. 1320a-7b(3)(A) of the Social Security Act and this charge does not exceed the upper billing limit as established in the *California Code of Regulations*, Title 22, Section 51008.1 (a)(2)(D).”

*This information is reflected on manual replacement page mc sup 3 (Part 2).*

### New Diabetic Enteral Formula List of Contracted Products

Effective January 1, 2006, a new Maximum Acquisition Cost (MAC) will be established for diabetic enteral formula products.

The Department of Health Services (DHS) recently contracted with manufacturers of specific products for a MAC identified by National Drug Codes (NDCs). Providers may purchase these products at the MAC price beginning January 1, 2006. The MAC price applies only to those products that are dispensed to Medi-Cal recipients. Listed products are available for provider purchase beginning January 1, 2006 from at least one accessible source. An approved *Treatment Authorization Request* (TAR) is required for reimbursement.

During a two-month grace period from January 1, 2006 through February 28, 2006, reimbursement requirements will not change: providers may bill for previously authorized products or new, contracted and authorized products using the product NDC. This allows providers to dispense existing stock as needed, and begin purchasing and dispensing an inventory of the new contracted products for Medi-Cal recipients. Recipients denied continued use of a previously reimbursed benefit have the right to a fair hearing.

Effective for dates of service on or after March 1, 2006, only diabetic enteral formula products on the list of contracted enteral formula products will be reimbursed by Medi-Cal. Providers billing non-listed products with an approved TAR dated prior to March 1, 2006 will continue to receive payment until the TAR expires. Reimbursement for contracted items beginning March 1, 2006 will be the lesser of the MAC plus a 23 percent markup, or the acquisition cost plus a 23 percent markup. *This update is reflected on manual replacement page reimbursement 2 (Part 2).*

The NDCs and their respective MACs will be published in a new provider manual section that will be released in a future *Medi-Cal Update*. The list of contracted enteral formula products is as follows:

#### **Manufacturer**

**Nestle** (00065) (Prior authorization always required.)

<u>Product Label Name</u>	<u>NDC</u>	<u>MAC Per ml</u>
Glytrol, Vanilla 250 ml	00065908570	\$0.00500
Glytrol, Ultra Pak 1000 ml	00065908672	0.00800
Glytrol, Ultra Pak 1500 ml	00065908673	0.00800

*Please see New Diabetic Enteral Formula, page9*



**New Diabetic Enteral Formula** *(continued)***Novartis** (00212) (Prior authorization always required.)

<u>Product Label Name</u>	<u>NDC</u>	<u>MAC Per ml</u>
BOOST Diabetic – Vanilla 237 ml	00212360162	\$0.00500
BOOST Diabetic – Chocolate 237 ml	00212360262	0.00500
BOOST Diabetic – Strawberry 237 ml	00212360362	0.00500
RESOURCE Diabetic TF 1.0 liter	00212355142	0.00800
RESOURCE Diabetic TF 1.5 liter	00212355244	0.00800
Diabetisource AC 250 ml	00212365051	0.00900
Diabetisource AC 1.0 liter	00212365142	0.01000
Diabetisource AC 1.5 liter	00212365244	0.01000

**Ross** (70074) (Prior authorization always required.)

<u>Product Label Name</u>	<u>NDC</u>	<u>MAC Per ml</u>
Glucerna Liquid – Vanilla 237 ml	70074050241	\$0.00500
Glucerna Liquid RTH 1000 ml	70074051207	0.00800
Glucerna Liquid RTH 1500 ml	70074052603	0.00800
Glucerna Select Liquid 237 ml	70074057702	0.00900
Glucerna Select Liquid RTH 1000 ml	70074057704	0.01000
Glucerna Select Liquid RTH 1500 ml	70074057706	0.01000

Providers are reminded that enteral formula is reimbursable when used as a therapeutic regimen to prevent serious disability or death for recipients with medically diagnosed conditions that preclude the use of regular food.

**Diabetic Medical Supply Addition**

Effective for dates of service on or after January 1, 2006, the following Hypoguard USA-contracted diabetic supply has been added to the *Medical Supplies List* section.

<u>Description</u>	<u>Billing Code</u>	<u>Bill Quantity in Total Number of</u>
New Tek Blood Glucose System (100-ct)	08480450100	Kit

Test Kits are limited to no more than two per dispensing/claim with a therapy duration limit of four dispensings in 90 days, per recipient, without prior authorization.

This product is reimbursable to Pharmacy providers only, and must be billed using the Point of Service (POS) network, Computer Media Claims (CMC) or paper.

*This information is reflected on manual replacement page mc sup lst1 18 (Part 2).*

**New Authorized Foley Catheters Manufacturer**

Effective for dates of service on or after January 1, 2006, Mentor Corporation (manufacturer billing code NR) has been added to the list of authorized manufacturers of Foley Catheters. All other unlisted manufacturers of Foley Catheters must be billed under code 9999A and require prior authorization.

*This information is reflected on manual replacement page mc sup lst4 5 (Part 2).*

### **New Utilization Controls for Sexual and Erectile Dysfunction Drug Benefits**

On October 20, 2005, President Bush signed federal legislation (HR 3791) eliminating Medicaid and Medicare payment for drugs when used for the treatment of sexual or erectile dysfunction. This legislation applies to coverage of drugs dispensed on or after January 1, 2006 for the Medicaid program and January 1, 2007 for the Medicare program.

Therefore, effective for dates of service on or after January 1, 2006, Medi-Cal will not cover drugs when used for the treatment of sexual or erectile dysfunction. Medi-Cal will only cover these drugs when they are used to treat a condition other than sexual or erectile dysfunction, for which the federal Food and Drug Administration has approved the drugs. This policy affects beneficiaries of both the Medi-Cal Fee-For-Service and Managed Care Plans. Medi-Cal will not approve *Treatment Authorization Requests* (TARs) for drugs when used to treat sexual or erectile dysfunction.

### **Provider Alert for Urinary Intermittent Catheters with Attached Collection Bags**

Medi-Cal policy implemented on October 1, 2005 restricts reimbursement for urinary intermittent catheters with attached collection bags to listed products only. Unlisted products will not be reimbursed, even when billed with a *Treatment Authorization Request* (TAR). During the implementation of the contracted product list, if a substitution of a recipient's intermittent catheter product is necessary, the Department of Health Services (DHS) will depend on the provider's sound clinical practices to assure that affected Medi-Cal recipients experience the least amount of clinical impact as possible. When product substitutions are necessary, providers are encouraged to consult with the physician and the recipient in order to assess the most medically appropriate alternative product for the recipient.

Providers are reminded that purchasing practices enacted solely to artificially inflate claims submitted to DHS constitute fraudulent activity and may lead to investigation by DHS. Providers are discouraged from entering into business relationships that exist solely to generate inflated invoices or other documentation used to submit artificially inflated claims.

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Remove and replace:       drugs cdl p1a 17/18, 37/38, 45/46  
                                  drugs cdl p1b 35/36, 41 thru 44, 53/54  
                                  drugs cdl p1c 1 thru 4, 17/18  
                                  drugs cdl p1d 21/22  
                                  drugs cdl p4 7 thru 10, 15/16, 19  
                                  drugs cdl p7 1  
                                  drugs maic fac 7 thru 12, 17/18

Remove:                     drugs maic fac 25 thru 47  
Insert:                      drugs maic fac 25 thru 46

Remove:                     incont lst 1 thru 29  
Insert:                      incont lst 1 thru 30 (*new*)

Remove and replace:       mc sup 3/4

Remove:                     mc sup ex 7/8  
Insert:                      mc sup ex 7 thru 9 \* (*new*)

Remove and replace:       mc sup lst1 17/18  
                                  mc sup lst4 5/6  
                                  reimbursement 1/2

\* Pages updated due to ongoing provider manual revisions.